GOVERNMENT OF INDIA
STEEL
LOK SABHA

UNSTARRED QUESTION NO:6153
ANSWERED ON:05.05.2003
BUY INDIA STEEL ACT
PRIYA RANJAN DASMUNSI

Will the Minister of STEEL be pleased to state:

(a) whether there is any proposal to enact `Buy India Steel Act` to protect the Indian Steel Industry which is passing through severe crisis;

(b) if so, by when such an Act is proposed to be enacted; and

(c) the steps taken/proposed to be taken by the Government to help the steel industry to tackle the situation?

Answer

MINISTER OF STATEIN THE MINISTRY OF STEEL(SHRI BRAJA KISHORE TRIPATHY)

(a)&(b): Yes, Sir. Though the major producers have supported the Draft legislation with minor modifications, the Dept. of Economic Affairs has not supported the proposed legislation. Department of Commerce has suggested to pend the proposal for the time being and DGFT has suggested including other products also in the draft legislation. However, it may be noted that the proposal was mooted at a time when the domestic industry had been passing through a severe crisis caused by low price and poor demand. The situation has shown improvement since January 2002 with the price of steel products on an increase and a fair possibility of price stability at the levels reached till August 2002.

(c) The Ministry of Steel, acting as a facilitator, is providing leadership in association with the industry to raise the consumption level, boost exports and introduce measures to improve the profitability of Indian steel companies. Important strides have been made on several fronts and the major ones include:

Constitution of a National Campaign Committee to promote consumption of steel in general and enhance penetration of steel in the rural market in particular.

Formation of Institute for Steel Development and Growth to improve the technology through better utilization of steel in the construction sector.

Setting up of a strong directorate under the Ministry of Commerce with adequate power to meet anti-dumping charges instituted by developed nations on Indian steel exports and thereby safeguard the interest of Indian exporters.

Support extended by the Steel Exporters Forum to boost exports, disseminate information pertaining to global trade and WTO related issues, organization of seminars/workshops to facilitate greater interaction between the exporting community etc.

The medium term export strategies of the government emphasize exploring alternate export markets and improved export incentives under the DEPB/DEEC scheme provided by the Government of India.

Government is also supporting the industry through R&D to minimize the cost of production and to become globally competitive. Special emphasis is being given on innovative applications of steel to boost demand.

Of late, the Global Environment Facility (GEF) - a project with UNDP support has been initiated to help the secondary sector, particularly the re-rollers to become more environment-friendly and energy efficient.